



Keep Up to Date on **ACCOUNTS PAYABLE™**

Inside information on how leading companies are managing cash and payments, in a fast-read format, twice a month.

January 3, 2022

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CFO DAILY NEWS

CFO Daily News, part of the SuccessFuel Network, provides the latest finance and employment law news for finance professionals in the trenches of small-to-medium-sized businesses. Rather than simply regurgitating the day's headlines, CFO Daily News delivers actionable insights, helping finance execs understand what finance trends mean to their business.

IRS: 10 tactics for A/P to keep financial data safe now

■ Ensuring systems & accounts stay secure

You've heard this countless times: It's important to keep the financial info you work with every day secure.

This past year, IRS' Criminal Investigation division uncovered over \$2.1 billion in tax fraud, including schemes involving refund fraud, identity theft and employment tax.

And in all the hustle and bustle of year-end, it's easier for any security issues to fall through the cracks and sneak up on you later.

Prevent scams & fraud

With a new year beginning, IRS and the Security Summit, a group of tax

industry pros, want to help. They've released a list of steps Finance must take to avoid falling victim to scams and fraud in 2022 and beyond.

Here are 10 key steps for A/P:

1. Double-check with IT that your work computer has up-to-date **security software** installed. If you access company accounts from any other devices (e.g., tablets, smartphones), they should have the same safeguards.
2. Always have a **firewall** enabled on your computer, and ensure that any **antivirus software** on your machine

(Please see IRS tactics ... on Page 2)

2022 legal, banking holidays: Start your prep now

■ Important dates that'll affect payments & deadlines

As you finish up year-end tasks in A/P, it's important to start getting ready for the coming year's legal and banking holidays.

Reason: These holidays can impact when payments or tax forms are due.

Dates to remember

Here's a rundown of the legal (L) and banking (B) holidays in 2022.

- Mon., Jan, 17: Martin Luther King Jr. Day (LB)
- Mon., Feb, 21: Presidents' Day (LB)
- Fri., April 15, Observation of DC

Emancipation Day (L)

- Mon., May 30: Memorial Day (LB)
- Mon., June 20: Observation of Juneteenth (LB)
- Mon., July 4: Independence Day (LB)
- Mon., Sept. 5: Labor Day (LB)
- Mon., Oct 10: Columbus Day (LB)
- Fri., Nov. 11: Veterans' Day (LB)
- Thurs., Nov. 24: Thanksgiving (LB)
- Mon., Dec. 26: Observation of Christmas Day (LB)

Info: bit.ly/holidays553

IRS tactics ...

(continued from Page 1)

- is directly configured to stop malicious software, or malware, from automatically installing itself onto your computer.
3. Be wary of emails. **Fraudulent emails** are the No. 1 way that criminals steal data from A/P pros. If you're unsure of the sender, avoid clicking on any links or downloading attachments. And be especially suspicious of any messages discussing COVID-19 and related tax law changes. (Tip: If you suspect an email is falsely imitating someone from IRS, you can save it and send it as an attachment to phishing@irs.gov)
 4. Use **unique, strong passwords** for your professional accounts. The best passwords have 10 or more characters with a mix of lowercase and uppercase letters, according to Harvard University. Numbers and symbols make passwords even more secure. You can also use a password manager to generate strong passwords for you.
 5. Whenever possible, use **multifactor authentication** when logging into accounts. This feature keeps thieves from accessing your account should your login be compromised.
 6. If you're entering in **payment** info on a site, make sure that the web address begins with "https." This

signifies the account is secure. Also check for a padlock icon on your browser window.

7. Avoid accessing work-related accounts, documents or other sensitive info on **public Wi-Fi** in places like coffee shops and malls. Because anyone can use these connections, anyone can also intercept the info you're entering – and that includes thieves.
8. Working at home? Your Wi-Fi may be password protected, but also check that any other **devices that use your internet connection** are protected. Wireless printers and even wireless thermostats can provide thieves with an alternate way to hack into your connection and steal sensitive data.
9. Another way to keep data safe while working remotely: Use a **virtual private network (VPN)** to connect securely to your work servers and networks. IT can set up a VPN on your computer.
10. **Back up important financial files** saved on your computer or other devices. In case a hacker does break into your machine, you may lose access to the files you need most. By storing backup copies securely on the cloud or using an external hard drive, you can recover them more easily. This is also helpful if something else causes your files to be compromised or erased, such as hardware failure.

Info: bit.ly/secure553

Sharpen your judgment

This feature provides a framework for decision making that helps keep you and your company out of trouble. It describes a recent legal conflict and lets you judge the outcome.

■ Was company unfairly charged use tax for rental?

A/P Manager Jenn Smith had finished exchanging a Christmas gift at the store and started walking toward the exit when she saw fellow A/P manager Alejandro Guerrero.

"Hey there, Jenn," he said.

"Alejandro, good to see you," said Jenn. "I'm not looking forward to walking out into that cold."

"I've been feeling the exact same way about work," Alejandro said.

"What's wrong?" she asked.

"Our controller figured out that we paid use tax that we shouldn't have had to pay," he replied.

Taking on the state

"I'll bet he's pretty mad," Jenn said. "How did that happen?"

"State law says our industry is exempt from paying use tax," Alejandro said. "We've been renting office equipment from an in-state company, and breaking down our payment, it looks like we've been paying that tax anyway."

"That's a shame," Jenn said.

"Did you look closely at the lease agreement to see if it said anything about the tax?"

"It didn't, as far as I could tell," he said. "The top brass is trying to get the state to reimburse us. We appealed to the tax board and they said 'no.'"

Alejandro's company challenged the state tax board in court on the grounds that it was exempt, according to the law, from paying use tax on leasing tangible property.

A trial court initially ruled in favor of the company and the state appealed. Was it successful?

■ *Make your decision, then please turn to Page 6 for the court's ruling.*



Keep Up to Date on
ACCOUNTS PAYABLE™

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Networking with Other A/P Pros

Our subscribers come from a broad range of companies, both large and small. In this regular section, three of them share success stories you can adapt to your own unique situation.

1 E-pay transition didn't exclude small business

Because of the pandemic, more of our suppliers requested to be paid electronically. We decided the best way to accommodate them was payment by ACH.

But as we made this switch, the vendors we couldn't afford to leave out in the cold were the "mom and pop shops," who may think it's too much of a hassle to give us their bank information, especially if it's just to get a one-time payment.

Forcing a vendor into accepting e-payment could end up being a

negative experience and they'd be reluctant to do business with us again.

Digital checks

We're not in a position to completely stop cutting paper checks just yet because some vendors we work with are most comfortable being paid that way.

So we started offering them a different option: a payment exchange system that emails digital checks, along with remittance data, which they can download, print and deposit.

This way, we're still paying these suppliers electronically, yet it

involves the check payment process they're familiar with.

It's a win-win: We don't have to spend the time and money cutting and paying postage on paper checks, and vendors aren't calling us to ask where their money is while waiting for the post office to deliver it.

The e-checks come with a reminder that they're always invited to enroll in ACH payment. Allowing them to dip their toe into e-payments makes them more likely to commit 100% later on.

(Annette Bearer, Accounts Payable Manager, Norman Noble Inc., Cleveland)

IMPROVING YOUR OWN A/P PROCESS

2 Invoice backup files can be a life saver

Having a paperless A/P system was great because I no longer had to hold onto physical copies of invoices or most of my other documents.

But what if somebody needed access to a certain invoice right away on a day when our system was running slow?

Kept a 'Copies' folder

Once invoices are scanned, I save them to an electronic master file. Just

in case we need them later, our A/P processing software provider is capable of storing digital backups. Doing that is as easy as attaching a folder of PDF files in an email and sending it.

Since I have more time available from not having to file paper documents, I also save a copy of those newly scanned files to a Copies folder on our network.

This way, if a co-worker urgently needs to see documentation on whether something was paid, having that backup file saves time because

I won't have to go through the process of logging on and pulling it from the cloud.

Even in a worst-case scenario, invoices and supporting documents don't get lost because there are two backup copies available.

Having my A/P documents this well backed up gives me peace of mind. Also, it ensures that we never have to go back to keeping paper files again.

(Deb Turner, staff accountant, Peabody Retirement Community, North Manchester, IN)

3 A/P mapping started with areas of spend

In A/P, we had so many different processes that we never had just one path of work.

Depending on what our company was buying, A/P tasks could branch off into so many different directions that staffers felt like they needed a GPS to keep from getting lost.

Coding system helped

First step: We took a closer look at what we were buying and what we

were buying the most of.

To improve workflow, it made sense to be able to search our master vendor file by commodity and volume.

I created new user fields in the master vendor file and a code for each supplier: "O" for office supplies, "I" for inventory, "U" for utilities, "G" for government, etc.

This brings Purchasing to the table because this is where they live. It identifies areas where the process could use improvement without pointing fingers.

For example, if Procurement wants to place an order for office supplies, and 10 suppliers pop up, the new fields help them make better decisions about whether they should fill out a purchase order or just put it on a card.

The next step will be training end users on invoice approval, P.O. cutting, etc., and the best way of getting that info out there. Is it annual training, online training, etc.?

(Judy Bicking, P2P and O2C consultant, as presented at the A/P P2P Conference & Expo, Orlando, FL)

T&E Spotlight

T&E comprises 8%-12% of the average organization's total budget – and it's also one of the areas where A/P can make the most impact. This regular feature showcases the latest ways you can save time and money on processing travelers' expense reports and reimbursements.

RETENTION & TRAVEL

In the face of new COVID variants, your travel policies will likely have to be more flexible going forward, according to an article in *Forbes*.

With the "Great Resignation" happening at companies across the country, many workers are leaving their jobs to look for positions in more supportive environments – and that includes companies with travel policies that are in line with their needs and comfort levels during the pandemic.

This means you'll have to let your CFO know that, while cost is still an important consideration, it can't be the be all end all anymore.

Keeping employees happy

Now more than ever, employees are seeing their companies' T&E policies as an extension of the business's culture. They expect the values their companies champion to be present in these policies.

Example: If the top brass say they value people's work-life balance, they shouldn't have travel policies requiring employees to fly out on weekends for

business trips. And a company that values productivity also wouldn't make an employee choose a flight with multiple layovers simply because it's a bit cheaper than others.

Not only should your travel policies line up with your company's mission, they should also consider people's general comfort and enjoyment.

You don't want employees racking up expenses via five-star restaurants or first-class flights, but it's key to consider not just the raw costs of travel, but employee satisfaction. And A/P will be the first ones to hear if they aren't happy with their options.

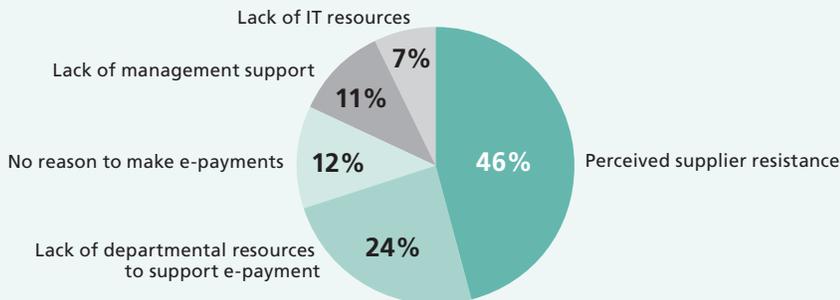
With that in mind, it may be smart to get together with your CFO, HR and Payroll to come up with more employee-friendly travel policies.

You could consider allowing employees to take the morning off after a late night flight, giving them a broader financial range for certain travel expenses instead of a hard number, offering them more choices on car rentals (e.g., electric cars/hybrids) or allowing them to take PTO during business trips for downtime.

Info: bit.ly/retain553

Standing in the way of e-payments

What's your biggest obstacle to paying more vendors electronically?



Source: IOFM online survey, July 2021

The pandemic made more businesses open to accepting electronic payments, and they may just be waiting for you to set up the process. The ball's in your court to start conversations with vendors and leadership about the ways e-payments save time and how they're more secure than checks.

TEST YOUR KNOWLEDGE

■ Staying on top of 'indirect taxes,' avoiding surprises

When using procure-to-pay (P2P) processes, tax compliance on purchasing transactions becomes a potential blind spot.

But do staffers know what to look for to minimize your firm's tax risks and keep auditors away?

Answer *True* or *False* to the following to check their knowledge of your company's indirect tax responsibility.

1. Goods and services tax, digital or digital services tax, entertainment tax and sales tax are all examples of indirect taxes.
2. Because tax compliance determinations aren't always made until late in the P2P cycle, procurement teams don't need to pay attention to these complex expenses.
3. Important tax-related key performance indicators (KPIs) to watch include spending volumes, purchasing patterns and costs.

ANSWERS

1. *True*. Other types of taxes collected by sellers and remitted to a government tax authority include consumer use tax, and in the EU and some other countries, value-added tax.
2. *False*. Procurement and A/P need to work together to review purchasing data and determine who's responsible for remitting tax and to ensure suppliers don't charge too little or too much sales tax.
3. *True*. These KPIs ultimately reveal the accuracy of processed invoices, the frequency of tax code errors, the number of manual interventions that need to be performed as a result and the employer's tax liability.

Answers to the quiz:

Performance Boosters

To help our readers improve payables operations, KAP selects the best ideas from a variety of sources and presents them in a quick-read format.

Making A/P process changes? 6 things to keep an eye on

Revising any of your processes (e.g., automating A/P more) in the new year? Some key benchmarks to periodically review to assess what kind of an impact they're having on A/P workflow and performance include:

1. Cost per invoice
2. Payment accuracy rate
3. Days payable outstanding
4. Number of invoices paid on time
5. Early payment discount capture rate, and
6. Amount of time spent handling supplier disputes.

Info: bit.ly/benchmarks553

A resolution to make for saving time at work in 2022

One of the biggest workplace time sinks, according to HuffPost and Hewlett Packard, can be multitasking.

A great New Year's resolution: Commit to a task and stick to it until it's done. For example, if you're creating a PowerPoint presentation, close out your email and calendar until you finish it.

Alternate resolution: Break your day into segments of time dedicated to specific tasks, then move on to another task when time is up. Give yourself enough time in each segment to gain traction on your project.

Info: bit.ly/time553

New 1099 guidance for state, local COVID recovery funds

IRS recently released key FAQs for state and local governments that received American Rescue Plan Act (ARPA) funds for recovery during the COVID-19 pandemic.

Specifically, many of the questions address whether they're required to file Forms 1099 with IRS in various situations involving relief payments

made with ARPA funds.

In a nutshell, the Service said that 1099s only have to be filed if payments were given directly to individuals. In situations where, for example, ARPA funds went directly to utility companies to pay past-due bills, a 1099 doesn't have to be submitted.

Info: bit.ly/slfr553

Get more done at work by using these productivity apps

Need an efficiency helper? Here are some of *Success.com's* top productivity apps to use in 2022:

- Ayoa (Ayoa.com/about-us)
- Todoist (Todoist.com/features)
- Trello (Trello.com/en/tour), and
- ClickUp (Clickup.com/about).

SOFTWARE SKILL BOOSTER

Excel not letting you insert columns? Here's what to do

If Excel tells you that you can't add additional columns or rows, one solution is deleting all columns to the right of the active area of your worksheet, or all rows below the active area.

Another trick is using the Visual Basic Editor to enter a line of code that resets the used area of the spreadsheet:

1. Right-click on the tab of the worksheet you can't insert columns/rows in and choose View Code.
2. Press Ctrl-G. In the Immediate window, type "ActiveSheet.UsedRange," then press Enter. The command forces Excel to change the Used Range of the worksheet to conform to just the area where your data is.

Info: bit.ly/excel553

If you have a story idea or comment to share, contact the editor at bbingaman@CFODailyNews.com

PAYABLES NEWS

■ IRS: No changes to interest rates for Q1 2022

Interest rates will remain the same for the first quarter of 2022, the IRS said.

That means, as of Jan. 1, 2022, the rates will be:

- 2% for corporate overpayments
- 0.5% for the part of a corporate overpayment that exceeds \$10,000
- 3% for underpayments, and
- 5% for large corporate underpayments.

Info: bit.ly/interest553

■ Paper checks still popular for payments with firms

While many of your peers have gone digital with B2B payments, most firms haven't completely stopped using paper checks just yet.

About a quarter of companies (24% of large firms with more than \$100 million in sales and 26% of firms with between \$25 million and \$100 million in sales) are still using paper checks for payments.

That's according to The Strategic Role of the CFO report from PYMNTS and Versapay.

One of the biggest barriers to digital payments: a lack of IT resources. You may want to ask IT if there's any way you can reallocate your resources to boost e-payments.

Info: bit.ly/check553

■ 1 big change A/P could see in response to inflation in 2022

Inflation's making a big impact on companies' operating costs, and the top brass are reacting now.

According to a recent survey of finance execs, one big change that'll affect you is renegotiation of supplier contracts – something 37% of execs plan to do next year. With that in mind, it's a smart idea to be proactive and reach out to vendors to discuss more favorable payment terms for your company.

Info: bit.ly/changes553

Vendor maintenance boxes to check off for less stress this year-end

■ Must-do steps for rounding up W-9, 1099 reporting info

As the Jan. 31, 2022, Form 1099 filing deadline looms, there are lots of tasks you and your team are carrying out to make sure you're submitting accurate info to IRS and your contractors receive all their important tax documents.

One of these crucial projects is ensuring that Form W-9 information and 1099 status for each of your vendors are up to date.

Depending on the number of vendors in your master file, this could become time-consuming.

Getting it done

Because there may not have been enough time to perform housekeeping on your master vendor file, here are steps you can take for gathering vendor taxpayer data efficiently:

- Run filters on your vendor list. If your vendor list is large, filter search it just for vendors your company paid in 2021.
- Check that those vendors have a W-9 on file. Make sure the entity type and Employer Identification Number/Social Security Number

are entered in the correct fields in your master vendor file. It's helpful to add a notation, such as an asterisk, after the name of any vendor without a W-9. This allows you to filter the list for vendors still missing a W-9, as well as for specific entity types.

- Make sure your accounting software is set up to track payments for 1099 information for 1099-eligible vendors with W-9s on file.
- Send W-9 requests to any vendors that don't have one on file.
- As completed W-9s are returned, update the vendor's legal name and address, entity type and tax ID number.
- Schedule time to follow up with vendors that haven't responded to 1099 requests.

Instead of waiting till year-end to run down this checklist, consider a quarterly, or even monthly, review so that it's smooth sailing when 1099 filing time rolls around for TY 2022.

Info: bit.ly/vendoryearend553

passed on from a rental company to a lessee.

Analysis: Tax updates

It's crucial for your firm to keep an eye on developments with sales and use tax. The rules change regularly, and things get even more complicated if you do business in multiple states.

Be sure to check our sales and use tax updates on Page 8 (or visit our website at bit.ly/KAPsalesusetax) to stay updated on the latest changes.

Based on First American Title Insurance Co. v. California Dept. of Tax & Fee Administration. This case was fictionalized for dramatic effect.

MISTAKES THAT COST

This regular feature shows how companies and individuals have run afoul of state or federal laws. See how others got off track so you can avoid similar problems.

Manager uses PayPal, fake invoices in scheme

Individual: Ana Phimmasone, former office manager for a healthcare provider, Chula Vista, CA.

Violation: Phimmasone admitted to defrauding her employer and clients out of over \$352,000 by creating fake invoices for services and asking clients to send payment to a fraudulent PayPal account. She also stole and cashed checks meant for her employer.

Penalty: Along with paying nearly the entire amount she stole in restitution, Phimmasone faces up to 20 years in prison.

Note: The office manager concealed her fraud by creating the PayPal account using someone else's identity, and she told clients her company switched its payment processing company to PayPal to further avoid suspicion.

Cite: bit.ly/paypal553

Produce market's cash covered CEO's expenses

Individual: Caesar DiCrecchio, former president and CEO of Philadelphia Wholesale Produce Market, Voorhees, NJ.

Violation: DiCrecchio used money from the market's accounts payable to give cash to friends and relatives, and settle personal credit card debt. He recorded the payments as various business expenses to cover his tracks.

Penalty: DiCrecchio will serve over 10 years in prison and pay more than \$8 million in restitution.

Note: Along with stealing from A/P and cashing business checks, DiCrecchio also took cash from the gate at the market's parking lot to pay workers under the table.

Cite: bit.ly/market553

Sharpen your judgment THE DECISION

(See case on Page 2)

Yes. The appellate judge reversed the decision and ruled that the board was within its rights to deny the company's claim for reimbursement.

Alejandro's firm reiterated it had paid use tax to the state that it wasn't supposed to pay because it was exempt.

But the court said the tax didn't count as a use tax at all. The firm actually paid a sales tax on its rented equipment, which, by law, can be

Making Technology Work for You

Time to think beyond email for invoice receiving and processing?

■ A/P automation can make up for shortcomings of email

For close to two years, email has probably been your most important tool for handling invoices – especially if staffers are only in the office part-time.

But relying on email for invoice receiving and processing may present some challenges with:

- **Invoice receipt and data capture.** When email can't handle data from invoices sent, for example, via FTP upload or supplier portal, data has to be manually keyed.
- **Invoice approvals.** According to IOFM, more than one-third of A/P departments say approvals are taking longer because staffers are working remotely.
- **Visibility and reporting.** Email can't track all the actions taken on invoices. It doesn't provide quick access to supporting documentation for invoices such as proof-of-delivery documents. And

email doesn't provide visibility into historical data.

Working smarter

That means now's the time to consider A/P automation solutions that are less hands-on. These solutions have features such as:

- intelligent capture that automatically extracts and validates the header and line-item data from invoices.
- ERP integration that uploads data on approved invoices directly to any ERP application.
- controls that manage access by user or role, assure chain of custody, enforce separation of duties and track all actions taken on an invoice, and
- digital receipts that aggregate all electronic invoices onto a single platform.

Info: bit.ly/email553

5 tech tools to ensure a successful year-end for A/P

■ Software, apps to consider adding to your 'tech stack'

If this year-end has you wondering whether your A/P department can better streamline your processes going forward, the answer is "yes."

Using various software solutions and apps can boost efficiency.

Tech to try out

AccountingWeb.com says these are the most essential tax-time tools for firms like yours.

1. **Cloud-based general ledger software.** Programs such as QuickBooks Online and Xero allow you to work with your team without the risk of overwriting each other's work or locking others out of the software.

2. **1099 software.** If your general ledger software doesn't prepare or e-file 1099s, take a look at a dedicated 1099 solution.
3. **Receipt capture software.** Apps like Dext and Hubdocs not only save you from sifting through a pile of crumpled receipts, they also extract key information from documents.
4. **Scheduling software.** Using programs like Acuity or Calendly will save you and your staff from going back and forth to try and schedule meetings during year-end.
5. **Communication tools other than email.** Programs like Slack keep your inbox from getting clogged.

Info: bit.ly/taxtools553

How do you stack up?

Are the employees at your company working a hybrid schedule?

Note: Percentages are rounded up



© 2022 PBP survey of 64 financial pros

Since the pandemic began, it seems like everybody's working from home. But if you don't have a remote work option, you're not alone. A number of finance pros are in the same boat.

Each issue of KAP contains an exclusive survey to give payables professionals insight into what their peers nationwide are thinking and doing.

THE LIGHTER SIDE

■ Clever, funny nicknames you can give your A/P team

As tax filing deadlines get closer, it can lighten the mood and build team spirit if you give your A/P department a creative or cool nickname.

Here are some witty ideas specific to finance to start with (or some inspiration for a variation that better suits your team) from *funnyteamnames.us*:

- Tax Season Survivors
- Sums of Anarchy
- Tax-maniac Devils
- Let's Get Fiscal
- The Bad Assets
- Crunchy Numbers
- It's Accrual World
- Down for the Account, and
- Death & Taxes.

Taking the guesswork out of state tax compliance

Here's KAP's roundup of key state tax changes. Developments in other states often indicate trends to watch. Your state may be next.

NEXUS

Two states recently changed their rules on sales tax for remote sellers.

KANSAS – Updated sales tax nexus rules in The Sunflower State change when companies are subject to sales and use tax when purchasing from remote sellers.

As of July 1, 2021, remote sellers don't have to collect sales tax on their first \$100,000 in sales to Kansas customers – but purchasers have to pay use tax on any transactions that aren't taxed. After that threshold is reached, any additional sales to Kansas customers are subject to sales tax.

Info: bit.ly/ks-553

OHIO – In an FAQ, the department of taxation has clarified that not all sales count toward the threshold for determining whether remote sellers will charge you sales tax on purchases.

Only sales that are considered “retail sales” count when determining if a remote seller must collect sales tax from customers. Per the FAQ, “sales for resale” are exempt.

That means any resale transactions won't count toward the \$100,000 in sales remote sellers can make in Ohio before they begin establishing nexus in the state.

Info: bit.ly/oh-553

MANUFACTURING

Buying new equipment? Make sure you're up to date on the latest sales and use tax changes in these states.

ARKANSAS – Certain equipment purchased for commercial farming in The Natural State doesn't qualify for the farm equipment and machinery tax exemption, according to the state's department

of finance and administration.

Equipment used for checking and repairing fences and spraying herbicide isn't eligible for the exemption.

Reason: These actions aren't considered directly related to the agricultural production of food and fiber, as required by the law.

Info: bit.ly/ar-553

MISSOURI – The department of revenue has clarified the tax status of several types of equipment used in meat manufacturing.

Sampling sponges used to check food for contamination are subject to sales tax, while freezer equipment, ammonia and chemicals used in refrigeration are exempt.

To be exempt from sales tax, the equipment must be directly involved in the manufacturing process, which only includes processes that change the products in some way.

While the sponges didn't change the products at all, the freezer equipment did because it cooled the meat and put the meat in its final form. Ammonia and other chemicals were necessary for the freezing process. So therefore, they were also tax exempt.

Info: bit.ly/mo-553

NORTH CAROLINA – Cheers! Thanks to Session Law 2021-150, effective Oct. 1, 2021, several types of equipment and other qualifying items used by alcoholic beverage manufacturers are exempt from sales and use tax.

Purchases of machinery, equipment, parts and other accessories involved in the alcohol manufacturing process qualify for the exemption as long as the manufacturer has a brewer, distillery, fortified winery or unfortified winery permit.

Info: bit.ly/nc-553

TECHNOLOGY

It's not uncommon for businesses to rely on third-party services to manage

their social media and online presence. If your company does so, take note of this update from The Lone Star State.

TEXAS – New guidance is available on the taxability of social media management services.

Depending on the service, different tax guidelines apply. If you use a company to create reports from its social media data, this service is a taxable data processing service. Purchasing creative artwork/graphics and photographs is also taxable.

What's not taxable: Services that provide companies with written content, proofreading and editing. The service of placing ads on websites like Facebook is also exempt from tax.

Info: bit.ly/tx-553

FROM OUR SUBSCRIBERS

Over 90% of our readers say that Keep Up to Date on Accounts Payable (KAP), with its quick-read format, is more valuable than any other publication they read.

"KAP is so helpful because it's an always-interesting read about the issues in the A/P field."

Tina Serbus Gunn
Financial Assistant

Mille Lacs Energy Cooperative

"I can get through the entire newsletter in 10 minutes or less – it's easy to skim and find what areas apply directly to me."

Ann Campbell
Accounting Associate
Kingland Systems Corp.